

Bruno & Tervallon ^{LLP}
 Certified Public Accountants
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**CONSTABLE OF THE FIRST CITY COURT
 CITY OF NEW ORLEANS**

**GENERAL PURPOSE FINANCIAL STATEMENTS
 TOGETHER WITH
 INDEPENDENT AUDITORS' REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate local officials. The report is available for public inspection at the Baton Rouge office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 27 2003

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INDEPENDENT AUDITORS' REPORT

Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana

We have audited the general purpose financial statements of the **Constable of the First City Court, City of New Orleans (the Constable)** as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the **Constable's** management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **Constable** as of December 31, 2002, and the results of its operations and changes in assets and liabilities of its **Fiduciary Fund Type** for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana
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In accordance with Government Auditing Standards, we have also issued our report dated May 2, 2003 on our consideration of the Constable's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit. Also, that report identified a reportable condition which was considered to be a material weakness.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 2, 2003

Bruno & Tervalon LLP
Certified Public Accountants

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 2002

	Governmental Fund Type- General Fund	Fiduciary Fund Type- Agency Fund	Account Groups			Totals (Memorandum Only)
			General Fixed Assets	Long-Term Debt		
ASSETS AND OTHER DEBIT						
Cash and cash equivalents (NOTE 2)	\$198,727	\$252,706	\$ -0-	\$ -0-		\$451,433
Fixed assets (NOTE 3):						
Machinery and equipment	-0-	-0-	233,579	-0-		233,579
Automobile	-0-	-0-	63,774	-0-		63,774
Office furniture and equipment	-0-	-0-	174,987	-0-		174,987
Office improvements	-0-	-0-	23,520	-0-		23,520
Accumulated depreciation	-0-	-0-	(359,796)	-0-		(359,796)
Amount to be provided for retirement of general long-term debt (NOTE 4)	-0-	-0-	-0-	142,468		142,468
TOTAL ASSETS AND OTHER DEBIT	<u>\$198,727</u>	<u>\$252,706</u>	<u>\$136,064</u>	<u>\$142,468</u>		<u>\$729,965</u>

(CONTINUED)

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
COMBINED BALANCE SHEET, CONTINUED
ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 2002

	Governmental Fund Type- General Fund	Fiduciary Fund Type- Agency Fund	Account Groups		Totals (Memorandum Only)
			General Fixed Assets	Long-Term Debt	
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$129,105	\$ -0-	\$ -0-	\$ -0-	\$129,105
Accrued liabilities	1,692	-0-	-0-	-0-	1,692
Escrow deposits	-0-	252,706	-0-	-0-	252,706
Compensated absences payable (NOTE 4)	-0-	-0-	-0-	42,468	42,468
Claims and judgments payable (NOTE 4)	-0-	-0-	-0-	100,000	100,000
Total liabilities	<u>130,797</u>	<u>252,706</u>	<u>-0-</u>	<u>142,468</u>	<u>525,971</u>

(CONTINUED)

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
COMBINED BALANCE SHEET, CONTINUED
ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 2002

	Governmental Fund Type- <u>General Fund</u>	Fiduciary Fund Type- Agency <u>Fund</u>	<u>Account Groups</u>		Totals (Memorandum Only)
			<u>General Fixed Assets</u>	<u>Long-Term Debt</u>	
LIABILITIES, EQUITY AND OTHER CREDITS, CONTINUED					
Equity and Other Credits:					
Investment in general fixed assets (NOTE 3)	\$ -0-	\$ -0-	\$ 136,064	\$ -0-	\$ 136,064
Fund balance:					
Unreserved/undesignated	<u>67,930</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>67,930</u>
Total equity and other credits	<u>67,930</u>	<u>-0-</u>	<u>136,064</u>	<u>-0-</u>	<u>203,994</u>
Total liabilities, equity and other credits	<u>\$198,727</u>	<u>\$252,706</u>	<u>\$136,064</u>	<u>\$ 142,468</u>	<u>\$729,965</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE--GENERAL FUND
For the Year Ended December 31, 2002**

REVENUES:

Fees	\$ 1,308,381
Commissions	333,783
Security services	<u>217,920</u>
Total revenues	<u>1,860,084</u>

EXPENDITURES:

Salaries	1,021,176
Payroll taxes	89,211
Labor cost	40,220
Professional fees	116,326
Insurance	124,048
Automobile	26,661
Radio communication	12,142
Telephone	23,160
Office supplies and services	22,996
Other operating expenditures	21,522
Rent	<u>39,743</u>
Total expenditures	<u>1,537,205</u>

Excess of revenues over expenditures	322,879
Fund deficit, beginning of year	<u>(254,949)</u>
Fund balance, end of year	\$ <u><u>67,930</u></u>

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL--
GOVERNMENTAL FUND TYPE--GENERAL FUND
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Fees	\$ 1,214,000	\$ 1,308,381	\$ 94,381
Commissions	330,000	333,783	3,783
Interest	8,000	-0-	(8,000)
Security services	<u>-0-</u>	<u>217,920</u>	<u>217,920</u>
Total revenues	<u>1,552,000</u>	<u>1,860,084</u>	<u>308,084</u>
EXPENDITURES:			
Salaries	950,000	1,021,176	(71,176)
Payroll taxes	62,000	89,211	(27,211)
Labor cost	19,000	40,220	(21,220)
Professional fees	266,000	116,326	149,674
Insurance	110,000	124,048	(14,048)
Automobile	27,000	26,661	339
Radio communication	25,000	12,142	12,858
Telephone	22,000	23,160	(1,160)
Office supplies and services	30,000	22,996	7,004
Other operating expenditures	36,000	21,522	14,478
Capital outlay	5,000	-0-	5,000
Rent	<u>-0-</u>	<u>39,743</u>	<u>(39,743)</u>
Total expenditures	<u>1,552,000</u>	<u>1,537,205</u>	<u>14,795</u>
Excess of revenues over expenditures	-0-	322,879	322,879
Fund deficit, beginning of year	<u>(254,949)</u>	<u>(254,949)</u>	<u>-0-</u>
Fund balance (deficit), end of year	\$ <u>(254,949)</u>	\$ <u>67,930</u>	\$ <u>322,879</u>

The accompanying notes are an integral part of this statement.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE-AGENCY FUND
For the Year Ended December 31, 2002

	<u>BALANCE</u> 01/01/02	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 12/31/02
<u>ASSETS</u>				
Cash	<u>\$247,552</u>	<u>\$6,279,393</u>	<u>\$(6,274,239)</u>	<u>\$252,706</u>
<u>LIABILITIES</u>				
Escrow deposits	<u>\$247,552</u>	<u>\$6,279,393</u>	<u>\$(6,274,239)</u>	<u>\$252,706</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies:

Organization

The Constable of the First City Court, City of New Orleans (the Constable), was established by Sections 89 and 92 of Article 7 of the Louisiana Constitution of 1921 and retained by virtue of the revised provisions of Article 5, Section 15(A) of the Louisiana Constitution of 1974. Act No. 461 of the 1978 Louisiana Regular Session established a fund for the Office of Constable, First City Court, composed of all fees collected by the Constable as provided in Revised Statute 13:2158. The Constable pays from this fund all salaries, including his own and any other costs or expenses of any other nature whatsoever, including the purchase of office or other equipment, automobiles, or other necessities deemed proper by the Constable. In the event, fees and commissions authorized by R.S. 13:2158 exceed the necessary expenditures of the Constable in the efficient performance of his duties, the excess shall remain in the Constable's fund and may be expended by him in any succeeding year in which fees and commissions are insufficient to cover salaries and expenditures. However, in accordance with Louisiana Revised Statute 33:1737, at the end of each six year term, the Constable is required to remit to the State Treasurer any remaining moneys in the Constable's fund in excess of one third of the amount of revenues of the last year of his term in office. The amount left in the Constable's fund shall be used as a revolving fund to assist in financing the operation of the Office and for purchasing equipment.

The Constable serves court pleadings, makes seizures, conducts sales, and performs other duties under orders of the First City Court. The First City Court has civil jurisdiction concurrent with the District Court in cases where the principal amount in dispute, or the value of property involved does not exceed \$20,000.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

A. Reporting Entity

According to GASB No. 14, the Constable is considered a primary government and does not include any component units. For financial reporting purposes, the Constable includes all funds, account groups and activities that are controlled by the Constable as an independently elected parish official. The activities of the parish, school board, other independently elected parish officials, and municipal level governments are not included within the accompanying general purpose financial statements as they are considered autonomous governmental units. These units of government issue financial statements separate from those of the Constable.

B. Basis of Presentation

The accompanying general purpose financial statements of the Constable have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C. Fund Accounting

The accounts of the Constable are organized on the basis of funds and account groups, each of which are considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the general purpose financial statements are described as follows:

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

C. Fund Accounting, Continued

o Governmental Fund Type-General Fund

The General Fund is the principal fund of the Constable and accounts for the operations of the Constable's office. The major source of revenues is from fees and commissions. General operating expenditures are paid from this fund.

o Fiduciary Fund Type-Agency Fund

The Agency Fund is used as a depository for collection of civil suits, garnishments, the Constable's sale of real estate and movable property. Disbursements from this fund are made to various parish agencies, litigants in suits, etc., in a manner prescribed by law. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

D. General Fixed Assets Account Group

The account group is not a "fund", but rather a group of accounts that is used to account for assets acquired principally for general purposes. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations. Accumulated depreciation is recorded in the account group and is offset by a decrease in the investment in general fixed assets.

E. General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding balances of compensated absences and other long-term liabilities.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

F. Basis of Accounting

Governmental Funds and Fiduciary Funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Charges for services and miscellaneous revenues are recorded as revenues when received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Agency Fund assets and liabilities are accounted for on the modified accrual basis.

G. Budgetary Accounting

The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal ten days prior to the public hearing for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Constable. At fiscal close, all appropriations lapse. All changes in the budget must be approved by the Constable. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying general purpose financial statements reflect the originally adopted budget and all subsequent amendments.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

H. Vacation and Sick Leave

Employees of the office are allowed to accumulate 10 days of vacation time and ten (10) days of sick leave during a calendar year. For the year ended December 31, 2002, vacation time not used at the end of the year is lost. Unused sick leave is either paid to employees at the end of each calendar year or allowed to accumulate up to a maximum of thirty (30) days. Upon resignation or termination of employment, unused sick leave is paid to the employee.

I. Total Column on Combined Balance Sheet

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

J. Cash and Cash Equivalents

Cash includes amounts on hand and in demand deposits and cash equivalents. Cash equivalents include amounts in certificates of deposit with original maturities of 90 days or less. Cash equivalents are held in safe keeping at a custodial bank in the Constable's name. Under state law, the Constable may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed assets account group. General fixed assets provided by the Constable are recorded within the general fixed assets account group. No depreciation has been provided in the general fund. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

M. Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2002, no allowance for uncollectible receivables was provided.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash and Cash Equivalents:

At December 31, 2002, the Constable has cash and cash equivalents (book balances) totaling \$451,433, as follows:

Cash on hand	\$ 600
Non interest-bearing demand deposits	<u>450,833</u>
Total	\$ <u>451,433</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2002, the Constable has \$793,936 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$821,300 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Constable that the fiscal agent has failed to pay deposited funds upon demand.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - General Fixed Assets:

Changes in the general fixed assets account group are as follows at December 31, 2002:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Machinery and equipment	\$233,579	\$ -0-	\$ -0-	\$233,579
Automobile	63,774	-0-	-0-	63,774
Office furniture and equipment	174,987	-0-	-0-	174,987
Office improvements	<u>23,520</u>	<u>-0-</u>	<u>-0-</u>	<u>23,520</u>
Total	<u>\$495,860</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	495,860
Less: Accumulated depreciation				<u>(359,796)</u>
Total fixed assets Net of accumulated depreciation				<u>\$ 136,064</u>

Depreciation expense for the year ended December 31, 2002 was \$51,587.

NOTE 4 - General Long-Term Debt:

Changes in the general long-term debt account group are as follows at December 31, 2002:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated absences payable	\$ -0-	\$ 42,468	\$ -0-	\$ 42,468
Claims and judgments payable	<u>-0-</u>	<u>100,000</u>	<u>-0-</u>	<u>100,000</u>
Total	<u>\$ -0-</u>	<u>\$ 142,468</u>	<u>\$ -0-</u>	<u>\$ 142,468</u>

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Pension Plan:

The Constable no longer participates in the City of New Orleans (CNO) Employees' Retirement System as of November, 2001. At December 31, 2002, the Constable had no pension costs or outstanding liabilities associated with the CNO pension plan.

NOTE 5 - Contingency - Litigation:

The Constable is a defendant in two separate lawsuits filed by two individuals for alleged civil rights violations. Outside counsel for the Constable has advised that there is a likelihood that the outcome will be unfavorable, resulting in a potential loss. Accordingly, the Constable has recorded \$100,000 to the general long-term debt account group at December 31, 2002.

NOTE 6 - Risk Management

The Constable is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Constable carries commercial insurance.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Operating Lease

The Constable leases office space under operating leases expiring various years through 2005.

Minimum future rental payments under the non-cancelable operating lease that has a remaining term in excess of one (1) year as of December 31, 2002 for each of the next four (4) years and in the aggregate are:

<u>Year Ending</u>	<u>Amount</u>
2003	\$13,004
2004	13,004
2005	<u>9,753</u>
Total minimum future rental payments	<u>\$35,761</u>

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana

We have audited the general purpose financial statements of the Constable of the First City Court, City of New Orleans (the Constable) as of and for the year ended December 31, 2002, and have issued our report thereon dated May 2, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Constable's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that are required to be reported under Government Auditing Standards.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(CONTINUED)

**Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana**

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Constable's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Constable's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 02-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(CONTINUED)

**Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana**

We noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated May 2, 2003.

This report is intended solely for the use of the Constable, its management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervallon LLP
**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

May 2, 2003

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2002

I SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the general purpose financial statements: unqualified opinion.
- B. Reportable conditions in internal control were disclosed by the audit of the general purpose financial statements: yes material weaknesses: no.
- C. Noncompliance which is material to the general purpose financial statements: no.
- D. Reportable conditions in internal control over major programs: not applicable material weaknesses: not applicable.
- E. The type of report issued on compliance for major programs: not applicable.
- F. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: not applicable.
- G. Major programs: not applicable.
- H. Dollar threshold used to distinguish between Type A and Type B programs: not applicable.
- I. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: not applicable.
- J. A management letter was issued: yes.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002**

**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

02-01 Segregation of Duties

The Chief Accountant is performing incompatible duties in the cash receipts area. This individual is responsible for reconciling cash receipts records, reconciling bank accounts, making bank deposits, and recording cash receipts and general ledger entries.

When internal controls are weakened by the lack of segregation of duties, opportunities for fraudulent activities may increase.

We recommend that the Constable review current accounting duties and segregate, when possible, those duties that are incompatible.

**II FINDINGS AND QUESTIONED COSTS
RELATING TO FEDERAL AWARDS**

Not applicable.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

**I INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS**

01-01 Segregation of Duties

We recommended that the Constable review current accounting responsibilities and establish procedures to ensure that assigned accounting duties are adequately segregated.

Current Status

Unresolved. See current year finding 02-01.

01-02 Cash Receipts

We recommended that the Constable make deposits of each day's cash receipts the next business day and intact to improve internal controls.

Current Status

Resolved.

01-03 Budget Amendment

We recommended that the Constable monitor its budget on a regular basis to ensure that actual revenues, expenditures and beginning fund balance budget variances are always within the legal limits for budgeting controls.

Current Status

Resolved.

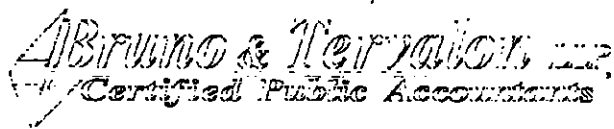
**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2002**

II INTERNAL CONTROL AND FEDERAL COMPLIANCE

Not applicable.

III MANAGEMENT LETTER

See the status of prior year audit management letter comments reported to management of the Constable in a separate letter dated May 2, 2003.



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervallon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana

We have audited the general purpose financial statements of the Constable First City Court, City of New Orleans (the Constable) for the year ended December 31, 2002 and have issued our report thereon dated May 2, 2003.

In planning and performing our audit of the general purpose financial statements of the Constable for the year ended December 31, 2002, we consider the Constable's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal controls or result in other operating efficiencies and are listed in Appendix A to this report.

Additionally, the status of the comments from our prior year letter to you dated June 13, 2002 is included in Appendix B. While we recognize that a number of our observations and comments require additional financial resources which may not be currently available, we believe that they still warrant continued consideration by management.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
CONTINUED

Constable Lambert C. Boissiere, III
First City Court
City of New Orleans
New Orleans, Louisiana
Page 2

This report is solely for the use of the Constable, its management and the State of Louisiana, Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 2, 2003

Bruno & Tervalon LLP
Certified Public Accountants

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
CURRENT YEAR MANAGEMENT COMMENTS**

02-01 FUND BALANCE

At December 31, 2002, the general fund reflected an excess of revenues over expenditures of \$322,879. This excess eliminated the beginning fund deficit, resulting in a fund balance of \$67,930. No entity can continue to operate efficiently with an inadequate fund balance level.

We recommend that the Constable establish procedures which ensures increased revenues and reduced spending in order to maintain fund balance at an adequate level.

02-02 OUTSTANDING CHECKS - AGENCY FUND

At December 31, 2002, we noted \$41,418 of outstanding checks considered abandoned property under the escheat laws for the State of Louisiana.

Under Louisiana Law, outstanding checks held in trust by the Constable older than one (1) year should be reported and remitted to the State. Noncompliance of the escheat law is considered a violation of Louisiana Revised Statute 9:151-9:196.

We recommend that the Constable comply with abandoned property laws and report and remit to the State amounts of agency fund checks outstanding over one (1) year.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
CURRENT YEAR MANAGEMENT COMMENTS, CONTINUED**

02-03 ACCOUNTS PAYABLE

We noted during our audit that the Constable does not have a system in place to adequately age accounts payable by vendor. Accurate amounts owed to certain vendors are not known on a monthly basis for the purpose of controlling purchases and paying vendors on a timely basis.

An organization should establish and maintain internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and the reliability of financial reporting.

We recommend that the Constable take the steps to implement a system to age individual accounts payable so that purchases can be controlled and payments made timely.

02-04 SUBSIDIARY RECORDS

At December 31, 2002, the general ledger balance for the deposit escrow account did not agree to the subsidiary report generated by the Constable's computer system.

We noted during our test work that no individual was assigned to the task of periodically reviewing amounts recorded to the general ledger and the deposit account.

Although the difference was reconciled, we recommend that the Constable establish a system to ensure that the general ledger balance is reconciled to the deposit escrow subsidiary records on a monthly basis.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
PRIOR YEAR MANAGEMENT COMMENTS**

01-01 FUND DEFICIT

We recommended that the Constable adopt a balanced budget at all times and refrain from deficit spending. The Constable must find ways to reduce spending and increase revenues. As such, a plan should be developed by the Constable to eliminate the fund deficit with an ultimate goal of maintaining fund balance at an adequate level.

Current Status

Resolved.

01-02 BANK RECONCILIATIONS

We recommended that the Constable require that bank reconciliations are prepared timely on a monthly basis to ensure that cash recorded in the general ledger is correct and that effective internal controls are being maintained.

Current Status

Resolved.

01-03 PERIODIC FINANCIAL REPORTING

We recommended that procedures be reviewed and updated as necessary to ensure that internal financial statements are prepared monthly and on a timely basis.

Current Status

Resolved.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
PRIOR YEAR MANAGEMENT COMMENTS, CONTINUED**

01-04 REVIEW OF PAYROLL RECORDS

We recommended that the Constable establish procedures to timely review the propriety of information being reported by the payroll company.

Current Status

Resolved.

01-05 OUTSTANDING CHECKS - AGENCY FUND

We recommended that the Constable comply with abandoned property laws and report and remit to the State amounts of agency fund checks outstanding over one (1) year.

Current Status

Unresolved. See management letter comment 02-02.

01-06 UNTIMELY AUDIT REPORT

We recommended that the Constable review the financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana within six months of year end.

Current Status

Resolved.



LAMBERT C. BOISSIERE, III
CONSTABLE
FIRST CITY COURT



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Management's Responses to Auditor's Comments

Bruno & Tervalon, LLP
Certified Public Accountants
4298 Elysian Fields Avenue
New Orleans, Louisiana 70122

The general financial statements of the Constable First City Court have just been audited for the year ending December 31, 2002.

The independent auditors have made and submitted a report of comments and recommendations. These reports also include comments made from the previous year's Audit. These reports are offered to improve accounting controls and financial management for the Constable's office.

We accept these recommendations, and will attempt to implement and integrate each of them into our accounting policy, procedure and practice.

Our responses to these comments, reasons for them, and resolution of their respective issues are enclosed. We will continue to work to improve the overall operation of the Constable's office in order to comply with the law, accounting practices, and general service to the public.

This report is solely for the use of the Constable's office, the auditors and the State of Louisiana Legislative Auditor and is not intended to be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lambert C. Boissiere, III".

Lambert C. Boissiere, III
Constable First City Court



LAMBERT C. BOISSIERE, III
CONSTABLE
FIRST CITY COURT



421 LOYOLA AVENUE, STE. 208
NEW ORLEANS, LA 70112

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CURRENT YEAR MANAGEMENT LETTER COMMENTS

02-01 FUND BALANCE

The office has begun to systematically search for ways to increase revenues and decrease expenses.

Serving deputies are regularly reminded of the value of successful service of paperwork as a way to generate additional revenue for the office, and a plan is being developed to have serving deputies' remuneration tied to their productivity.

Every office expense is now scrutinized and discussed by the Constable and office personnel. Extraneous services are routinely eliminated from the office budget.

02-02 OUTSTANDING CHECKS – AGENCY FUND

We have studied the problem of outstanding checks. We found that many checks continued to be negotiated up to three years after being issued. All checks three years old or older have been systematically remitted to the State.

02-03 ACCOUNTS PAYABLE

The accounting department is in the process of utilizing an accounts payable module with its accounting software. This module will have the capability to age accounts payable by vendor.

02-04 SUBSIDIARY RECORDS

The Constable's office has established a policy whereby the deposit liability account will be reconciled to the general ledger on a monthly to quarterly basis.

FINDING RELATED TO THE FINANCIAL STATEMENTS

02-01 SEGREGATION OF DUTIES

The office is in the process of reviewing current duties with the ultimate goal of separating those duties that can be separated.